



IRREVOCABLE LETTER OF CREDIT

STATE OF UTAH
UTAH DIVISION OF OIL, GAS AND MINING
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, UT 84114-5801

Letter of Credit # _____

Dated: June 28, 2007
Expires: July 3, 2008

For itself and as agent for:

Bureau of Land Management (BLM)
UTAH STATE OFFICE
440 West 200 South, Suite 500
Salt Lake City, UT 84101

PLC
S/003/017

RE: Park Valley Quartzite, LLC, Green Beetle, DOGM Issued Permit No. S/003/017, BLM No. UTU-75640

To Whom It May Concern:

1. Barnes Banking Company of Kaysville, Utah, hereby establishes this Irrevocable Letter of Credit (the "Letter of Credit") in favor of the Utah Division of Oil, Gas and Mining ("Division"), for itself and as agent for the Bureau of Land Management (collectively, the "Beneficiaries") for an aggregate amount not to exceed \$18,700.00 in United States dollars ("Face Amount") effective immediately; on behalf of Park Valley Quartzite, LLC for Green Beetle mining operation under DOGM Issued Permit No. S/003/017, BLM No. UTU-75640.
2. This Letter of Credit will expire the date upon the first event set forth as follows:
(a) 5:00 o'clock p.m. (Mountain Time) on July 3, 2008 or (b) the date upon which sufficient documents are executed by the Division to release Park Valley Quartzite, LLC ("Operator") from further liability for reclamation of the Green Beetle, S/003/017, UTU-75640 with notice to the Bank by the Division accompanied by the original Letter of Credit with directions for cancellation.
3. This Letter of Credit issued on June 28, 2007 will be automatically extended for successive periods of one year from the current or any future issuance date unless 90 days prior to the issuance of the following year, the Bank sends notice to the Division by any courier service or by registered United States mail 'return receipt requested' that the Bank elects NOT to extend the Letter of Credit.
4. Funds under the Letter of Credit are available against the Division's sight draft, in the form of Exhibit A, specifying Letter of Credit _____, delivered to the office of the bank:
Barnes Banking Company
Attention: J. Lance Garner
Senior Vice President
33 South Main Street
P.O. Box 207
Kaysville, Utah 84037

☒ **APPROVED**

A history of strength, a future of security

At the Division's sole election, the Division may present sight drafts for less than the Face Amount so long as the aggregate amount of all sight drafts does not exceed the Face Amount. Each draft must be accompanied by a certificate in the form of Exhibit B, signed by a duly authorized representative of the Division.

5. If the Bank receives the Division's sight draft(s) and certificate(s) as provided in Paragraph No. 4 above on or before the termination of this Letter of Credit, the Bank will make such amount as the Division may specify, within the limits of the second sentence of Paragraph No. 4 of this Letter of Credit, available to the Division no later than the close of business, Salt Lake City time, on the second business day following the Bank's receipt of the sight draft and certificate and in such a manner as the Division may specify. "Business Day" means any day that is not a Saturday, Sunday or other day on which commercial banks in the State of Utah are authorized or required by law to close.

6. The Bank will give prompt notice to the Operator and to the Division Director of any notice received or action filed alleging the insolvency or bankruptcy of the Bank, or alleging any violations of regulatory requirements, which could result in suspension or revocation of the Bank's charter or license to do business.

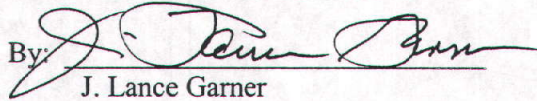
7. The Letter of Credit will be governed by the laws of the State of Utah and shall be subject to the Uniform Customs and Practice for Documentary Credit, 1993 revision, International Chamber of Commerce Publication No. 500, as the same may be amended and in effect from time to time ("UCP"). In the event of a conflict between Utah law and the UCP, Utah law shall govern.

8. All communications regarding this Letter of Credit will be addressed to Barnes Banking Company, Attention: J. Lance Garner, Senior Vice President, 33 South Main Street, PO Box 207, Kaysville, Utah 84037, referencing Letter of Credit

9. In the event the Bank gives notice to the Division that the expiration date of the Letter of Credit will not be extended, the Division may, until the current expiration date of the Letter of Credit, draw under the Letter of Credit against its sight draft(s) in accordance with the provision of Paragraph 4.

Very truly yours,

BARNES BANKING COMPANY

By: 
J. Lance Garner
Senior Vice President

☒ APPROVED